REMARKS

Interview Summary

Applicant would like to thank Examiner Le for the interview on May 5, 2006. In the interview, Ms. Norton discussed Examiner Le's rejection of claim 28. No agreement was reached on claim 28, so Ms. Norton indicated the limitations of claim 50 would be rolled into claim 28. Examiner Le indicated that she would consider this amendment.

Objections Addressed

Claims 28-32, 34-47 and 50-63 are pending in the current application. Claims 28-32, 34-47 and 50-62 were rejected. Claim 63 is new. Claims 28, 40, and 45 are the independent claims.

Claims 34, 47, 50-54, and 55-58 were rejected under 35 U.S.C. 112. Applicant respectfully disagrees. However, in order to expedite allowance of the claims, Applicant has amended claims 34, 47, 50-54, and 55-58 so that the 35 U.S.C. 112 rejection no longer applies.

In particular, with respect to claims 47, 50, 55-58, Applicant has deleted the language the Examiner objected to. With respect to claims 34, and 51-54 it should also be noted that the Examiner stated that it is not clear, in view of the series of alternative terms ("or") used, if an "or" is intended in front of "ratings" in claim 34. Applicant respectfully disagrees. However, in order to expedite allowance of the claims, Applicant has amended all claims with a series of alternative terms to include "or" between all of the terms.

Rejections Addressed

Claims 47 and 62 were rejected under 35 U.S.C. 102 as being anticipated by Logan (U.S. Patent 5,721,827). In addition, claims 28-32, 35-38, 40-46, and 59-61 were rejected under 35 U.S.C. 103 as being unpatentable over Logan. Claims 34, 39, and 50-58 were rejected under 35 U.S.C. 103 as being unpatentable over Logan in view of Garg (U.S. Patent 6,571,216).

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Claims 28, 40 and 45, as amended, require receiving choice compensation from the user based on supply and demand per user depending on demographics of the user; or ratings of the content being supplied; or viewing habits of the user. This language is supported on page 12, line 22 to page 13, line 5 of Applicant's specification.

The Examiner stated that Logan discloses "wherein the choice compensation is based on the ratings (interpreted as the quality) of the content being supplied," citing column 26, line 53 to column 27, line 8 of Logan. Applicant respectfully disagrees. This section of Logan merely states that "each content and advertising segment can have a different rate, allowing the system to accommodate charging rates that reflect different programming costs. Such costs frequently are affected by the royalty rates charged by content providers as well as the extent to which costs are defrayed by advertisers." This section discloses different rates for the content based on royalty rates, but does not disclose choice compensation being based on the ratings of the content being supplied, e.g., the choice compensation depending on how popular the program is.

In addition, the Examiner admitted that Logan does not specifically disclose the choice compensation being based on the viewing habit or demography of the viewer/user. The Examiner thus cites Garg as support for these features. First of all, the combination of Logan and Garg is unobvious. Logan is an audio program that transmits program segments to users who pay a fee to receive them. The program segments sent to each user may include advertising materials which the user can selectively play to obtain credits against the fee. (See Logan, Abstract.) In contrast, Garg provides differential rewards to computer users based on user profiles. (See Garg, Abstract.) Thus, Logan actually teaches away from Garg because Logan makes a user pay for not watching a commercial, whereas Garg rewards a user for watching a commercial. Furthermore, Garg does not disclose choice compensation being based on the viewing habits of the user or the supply and demand per user depending on demographics of the user. The Examiner cites the Abstract of Garg, as well as column 2, line 15 to column 3, line 40

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of Garg for support. This section of Garg discloses a methodology and system which allows a plurality of reward scheme owners to give differential rewards, through a plurality of reward distribution agents, to various users based on a user profile. Thus, Garg discloses giving a reward from a payor based on the payee's profile. In contrast, the claims cover receiving compensation from a payor based on the payor's profile.

In addition, there is no specific support in Garg for compensation paid by a user being based on viewing habits. Garg only provides support for providing rewards to a user based on tracking screen shots viewed by the user. (Garg, Col. 5, lines 5-20.) This is very different than tracking content watched by a user because a user may browse several screen shots of no or little interest while surfing the web until he finds information of the most interest. In contrast, basing compensation from a user based on viewing habits of the user requires less or no guesswork to determine which shows or topics are most important to the user, and thus which shows or topics the user would pay more to watch.

There is also nothing in Garg that supports compensation paid by a user being based on the supply and demand per user depending on demographics of the user. In fact, nothing related to determining the choice compensation based on the supply of users and the demand for users is mentioned in Garg. In contrast, Applicant's claim the unique idea of basing the compensation asked of a user on the supply of users meeting certain criteria and the demand of users meeting certain criteria, which changes depending on the requirements of, for example, the content provider or advertiser, and the demographics of the users.

It should be noted that the Examiner stated that the phrase "wherein the choice compensation is based on the supply and demand of the content per user" is interpreted as "the compensation (price or fee) is based on the supply and demand of the content by the users." Applicant notes that this language has been changed to "the choice compensation based on the supply and demand per user depending on demographics of the user," which is supported in
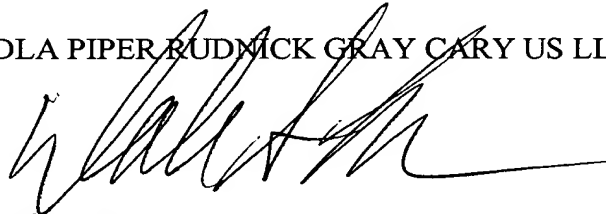
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Applicant's specification on page 12, line 22 to page 13, line 5.

Applicant thus submits that independent claims 28, 40 and 45 are allowable. Claims 29-32, 34-39, 41-44, 46-47 and 50-63 depend from claim 28, 40, or 45, and are thus also allowable for the same reasons. Note that new claim 63 is supported by Applicant's Summary.

Applicant believes the objections and rejections in the Office Action have been addressed and that the application is now in condition for allowance. The Examiner is invited to contact the undersigned by telephone should the Examiner believe that personal communication will expedite prosecution of this application.

Respectfully submitted,

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